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CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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SUBJECT	Salary Conflicts in the PKPG	DATE DISTR.	19 November 1954
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
 THE APPRAISAL OF CONTENT IS TENTATIVE.
 (FOR KEY SEE REVERSE)

1. As of August 1954, there was considerable friction and animosity concerning salaries in the State Economic Planning Commission (PKPG). The conflict lay largely between the central offices of the PKPG, the executive staff, and the cost graphs (kosztorysy) department of the Central Planning Institute of the PKPG.
2. The highest salaries are paid in the cost graphs department, whose members are responsible for preparing detailed working plans for various methods of production; estimating accurately the prices of raw materials, labor, depreciation, and loss; and deciding to what extent machines of various types can be exploited. When doing such work, the department must make accurate drawings and analyses of all problems involved in the production process.
3. The cost graphs staff pays its engineers from 4,000 to 5,000 zlotys per month (including pay for overtime) to perform the above duties, while an engineer in the central offices of the PKPG is only paid 1,200 zlotys per month. Managers in the central office of the PKPG receive from 1,800 to 2,400 zlotys per month, while workers on the executive staff received from 1,200 to 1,500 zlotys per month.
4. The above inequities in salary scales have been a constant source of friction between the offices involved, and many attempts have been made to remedy the situation. Nearly every month a new scheme is devised to lower the salaries of the cost graphs staff and adjust them to those of the executive staff and the central office of the PKPG. One aim has been to keep persons on the executive staffs in their positions, since many of them have attempted to get transferred to the cost graphs staff.
5. There is now another solution under consideration which would raise salaries of the cost graphs staff from 10 to 20 percent, but it would also limit the hours for which additional pay could be received to a yearly maximum of 100 hours. At present the payment for additional working hours has been unrestricted, and each worker is paid for an average of 100 to 120 hours overtime per month. This amounts to 1,500 to 2,500 zlotys per month. Personnel in the cost graphs department regard this plan as

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ridiculous, stating that their work is urgent and cannot be performed without additional hours.

6. The cost graph staff is also preparing to set up a closed union to which admittance would be restricted. Since workers' unions are allowed to restrict the admittance of new members, they feel that they should have this right as well, and they hope in this way to be able to keep their incomes at the present high level.
7. While the fight for higher salaries within the PKPG has been growing in intensity, pressure is being brought from above to reduce salaries. The side best represented in the Party will probably be the eventual winner. A responsible official in the cost graph department, who states he works from 10 to 12 hours per day, declared: "There is no alternative but to allow matters to drift into absurdity in order to secure the rightful salaries of this group of employees." He also complained that workers were graded, not by their own superiors on the cost graphs staff, but by the manager of the PKPG, a Party man who closely cooperated with the personnel manager. He declared that this has led to many injustices and inequities.

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